IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

INTELLECTUAL VENTURES I LLC and INTELLECTUAL VENTURES II LLC, Plaintiffs, v. ERIE FAMILY LIFE INSURANCE COMPANY; ERIE INDEMNITY COMPANY; ERIE INSURANCE COMPANY; ERIE INSURANCE EXCHANGE; ERIE INSURANCE PROPERTY & CASUALTY COMPANY; and FLAGSHIP CITY INSURANCE COMPANY, Defendants.	)	Civil Action No. 1:14-cv-00220-MRH **FILING IN LEAD CASE** Time: 9:00 a.m. Date: April 14, 2015 Place: Courtroom No. 6A The Honorable Mark R. Hornak ELECTRONICALLY FILED JURY TRIAL DEMANDED

INTELLECTUAL VENTURES I LLC and INTELLECTUAL VENTURES II LLC, Plaintiffs, v. HIGHMARK INC.; HM INSURANCE GROUP, INC.; HM LIFE INSURANCE COMPANY; HIGHMARK CASUALTY INSURANCE COMPANY; and HM CASUALTY INSURANCE COMPANY, Defendants.	)	Civil Action No. 2:14-cv-01131-MRH

Old Republic Defendants' Notice of Legal Development Regarding Patent-in-Suit No. 6,510,434

INTELLECTUAL VENTURES I LLC and INTELLECTUAL VENTURES II LLC, Plaintiffs, v. OLD REPUBLIC GENERAL INSURANCE GROUP, INC.; OLD REPUBLIC INSURANCE COMPANY; OLD REPUBLIC TITLE INSURANCE GROUP, INC.; and OLD REPUBLIC NATIONAL TITLE INSURANCE COMPANY, Defendants.	)	Civil Action No. 2:14-cv-01130-MRH

Old Republic Defendants' Notice of Legal Development Regarding Patent-in-Suit No. 6,510,434

The Court has heard oral argument on defendants's pending motions to dismiss.[1] At that hearing, the Court asked the parties to submit a Notice when a post-hearing legal development occurred. One has, concerning U.S. Patent No. 6,510,434 ("'434 patent"), which plaintiffs assert against the Old Republic defendants and the other defendants, too. The development shouldn't affect the pending motions to dismiss for lack of patent-eligibility under 35 U.S.C. §101. But this Notice is warranted because the '434 has been the subject of a new legal challenge, and the Court directed that the parties keep it informed of such events.

Specifically, on June 23, 2015, International Business Machines Corp. ("IBM"), represented by Kirkland & Ellis, filed in The United States Patent and Trademark Office, Patent Trials and Appeals Board, a *Petition for Inter Partes Review under 35 U.S.C. §311 And*

[1] Case No. 2:14-cv-1130 ("14-1130 Case"), Dkt. 31; *see also* Case No. 1:14-cv-220, Dkt. 46-1 (co-defendants's motion).

37 C.F.R. §42.100 ("IPR Petition") against Intellectual Ventures I LLC, one of the named plaintiffs this case. The petition, attached as Appendix 1, asserts that claims of the '434 patent are anticipated under 35 U.S.C. §§102(b) and (e) and obvious under 35 U.S.C. §103.

An IPR petition can't raise patent-eligibility (§101) issues. Instead, by statute the challenges that an IPR petition can raise are limited to whether the patent was anticipated (§102) or that it was obvious (§103)—and even then, the IPR statute permits only certain kinds of anticipation or obviousness attacks.[2] Thus, the patentability issues that IBM's IPR Petition raises are necessarily different from the §101 patent-eligibility issues that this Court must resolve. The Federal Circuit has recognized the distinction between assessing patent-eligibility under §101 and assessing patent validity under §§ 102 or 103.[3]

By statute, the patent-owner, assertedly Intellectual Ventures I LLC, will have 90 days within which to file a preliminary response (which it can elect to waive); the Director of the United States Patent and Trademark Office will thereafter have 90 days to determine whether to institute proceedings.[4]

Dated: June 26, 2015

Respectfully submitted,

s/ Vernon M. Winters

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[2] 35 U.S.C. §311(b).

[3] *E.g.*, *DDR Holdings, LLC v. Hotels.com*, 773 F.3d 1245, 1258 n.6 (Fed. Cir. 2014) ("Of course, patent-eligible [under §101] does not mean patent*able* under, *e.g.*, 35 U.S.C. §§ 102 and 103.") (brackets supplied, emphasis in original).

[4] 35 U.S.C. §§ 313 (patent owner's response) & 314(b) (Director's response).

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